Question Q217

National Group: Australian National Group

Title: **The patentability criterion of inventive step / non-obviousness**

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Analysis of current law and case law

The Groups are invited to answer the following questions under their national laws:

Level of inventive step / non-obviousness

1. *What is the standard for inventive step / non-obviousness in your jurisdiction? How is it defined?*

   Under section 7 of the *Patents Act* 1990, an invention is "taken to involve an inventive step when compared with the prior art base unless the invention would have been obvious to a person skilled in the relevant art in the light of the common general knowledge as it existed in the patent area [i.e., Australia and its continental shelf] before the priority date of the relevant claim, whether that knowledge is considered separately or together with" any single piece of prior art information or a combination of two or more pieces of prior art information, "being information that the skilled person… could, before the priority date of the relevant claim, be reasonably expected to have ascertained, understood, regarded as relevant and [in the case of a combination] combined…".

   The relevant prior art information is information made available by the publication of a document or the doing of an act anywhere in the world.

2. *Has the standard changed in the last 20 years? Has the standard evolved with the technical / industrial evolution of your jurisdiction?*

   Yes. Before a change in legislation in 1990, inventive step was assessed by reference to the proved common general knowledge in Australia only.

Documents or prior use were only relevant if proven to have formed a part of the common general knowledge.

Following the introduction of the *Patents Act* 1990, the standard was raised by incorporating documents published anywhere or prior use in Australia if the skilled person could reasonably be expected to have ascertained, understood and regarded them as relevant.

Since 2002, the standard was raised again by making prior use anywhere relevant.

These changes reflect the easier availability of material and information electronically over the last 20 years.

3. *Does your patent-granting authority publish examination guidelines on inventive step / non-obviousness? If yes, how useful and effective are the guidelines?*

   Yes. The guidelines are clear and able to be understood. However, they are inconsistently applied by the Patent Office.

4. *Does the standard for inventive step / non-obviousness differ during examination versus during litigation or invalidity proceedings?*

   No. But the burden of proof is different in pre-grant opposition proceedings, in which the opposition will not succeed unless the patent, if granted, would be clearly invalid. For examination and post-grant revocation actions, the standard is the balance of probabilities.

Construction of claims and interpretation of prior art

5. *How are the claims construed in your jurisdiction? Are they read literally, or as would be understood by a person skilled in the art?*

   The claims are read through the eyes of the skilled person as at the priority date and in the context of the whole of the specification. The courts have encouraged a purposive, rather than overly literal, construction of claims.

6. *Is it possible to read embodiments from the body of the specification into the claims?*

   Only in the case of omnibus claims.

7. *How is the prior art interpreted? Is it read literally or interpreted as would be understood by a person skilled in the art? Is reliance on inherent disclosures (aspects of the prior art that are not explicitly mentioned but would be understood to be present by a person skilled in the art) permitted?*

   The prior art is interpreted as it would be understood by the skilled person at the priority date of the claim under consideration.

   Reliance on inherent disclosures is permitted – it will be a question of evidence as to what the skilled person understands from a piece of prior art.

8. *Do the answers to any of the questions above differ during examination versus during litigation?*

   No.

Combination or modification of prior art

9. *Is it proper in your jurisdiction to find lack of inventive step or obviousness over a single prior art reference? If yes, and assuming the claim is novel over the prior art reference, what is required to provide the missing teaching(s)? Is argument sufficient? Is the level of the common general knowledge an issue to be considered?*

   It is acceptable to find a lack of inventive step over a single prior art reference, although the reference must be one that the skilled person could, before the priority date of the relevant claim, be reasonably expected to have ascertained, understood, and regarded as relevant. In Australia proving that a prior art reference is one that the skilled person could be reasonably expected to have ascertained, understood, and regarded as relevant is not straight-forward. It requires evidence as to the activity of such a person (i.e. do they access the patent literature, etc), and so represents a first threshold.

   It is possible to consider the single prior art reference together with the common general knowledge to provide missing teachings. However, evidence also needs to be adduced as to the common general knowledge and whether the prior art reference would be read by the skilled person together with the common general knowledge to pre-empt the invention. This represents a second threshold.

   The level of common general knowledge is not an issue, but establishing what constitutes the common general knowledge is an issue.

10. *What is required to combine two or more prior art references? Is an explicit teaching or motivation to combine required?*

    Multiple prior art references may be combined where the skilled person could be reasonably expected to have ascertained, understood, regarded as relevant, and combined the references. Again, in practice, this represents a significant threshold.

    No explicit teaching or motivation is required, but contrary teachings in the two or more references will affect the “reasonably expected to have combined” argument.

11. *When two or more prior art references are combined, how relevant is the closeness of the technical field to what is being claimed? How relevant is the problem the inventor of the claim in question was trying to solve?*

    The closeness of the technical field is not expressly relevant, though it would ordinarily be expected that, the closer the technical field, the more likely it would be for a skilled person to combine the references.

The problem the inventor was trying to solve will be relevant to what the skilled person could reasonably be expected to have ascertained, understood, regarded as relevant and combined.

12. *Is it permitted in your jurisdiction to combine more than two references to show lack of inventive step or obviousness? Is the standard different from when only two references are combined?*

    Yes, it is permissible to combine more than two references if the skilled person could reasonably have been expected to combine them – the standard is no different. In practice, however, this rarely (if ever) happens.

13. *Do the answers to any of the questions above differ during examination versus during litigation?*

    No. The standard is the same. In practice, however, Australian examiners have considerable difficulty is sustaining inventive step objections, as usually they do not have ready access to evidence of the person skilled in the art.

Technical Problem

14. *What role, if any, does the technical problem to be solved play in determining inventive step or non-obviousness?*

    Australian law of inventive step is not based on a problem-solution approach. Having said that, identification of a problem and demonstration in the patent of a solution will help in arguing for inventive step or non-obviousness.

15. *To what degree, if any, must the technical problem be disclosed or identified in the specification?*

    Disclosure or identification of a technical problem in the specification is not required in Australia.

Advantageous effects

16. *What role, if any, do advantageous effects play in determining inventive step or non-obviousness?*

    The presence of advantageous effects (or unexpected results) is not essential to the inventive step determination in Australia, although they do influence the determination.

    In Australia, it is possible for an alternative to be patentable (i.e. that has no additional benefits over the existing solution). In such a case the existence of the alternative can represent the advantageous effect.

17. *Must the advantageous effects be disclosed in the as-filed specification?*

Whilst disclosure or identification of advantageous effects (or unexpected results) in the specification is not required in Australia, its presence can influence the inventive step determination.

18. *Is it possible to have later-submitted data considered by the Examiner?*

    Yes.

19. *How "real" must the advantageous effects be? Are paper or hypothetical examples sufficient?*

    Paper or hypothetical examples are sufficient during examination, though they may need verification in court if they prove to be critical to the inventive step determination.

20. *Do the answers to any of the questions above differ during examination versus during litigation?*

    In theory no, although in practice, during litigation, more substantial evidence as to advantageous effects is likely to be required and thus presented.

Teaching away

21. *Does your jurisdiction recognize teaching away as a factor in favour of inventive step / non-obviousness? Must the teaching be explicit?*

    The "teaching away" argument can be presented in rebuttal of a lack of inventive step objection. For example, if one prior art reference teaches away from another then it is less likely that a skilled person could be reasonably expected to have combined the references.

    The "teaching away" argument can also be applied in considering whether a prior art reference is able to be read together with the common general knowledge.

    The teaching need not be explicit although, if not, then evidence as to how a skilled person would read the document may be required.

22. *Among the other factors supporting inventive step / non-obviousness, how important is teaching away?*

    The "teaching away" argument is no more important than other factors supporting inventive step, however, is an easier argument to avail during examination.

23. *Is there any difference in how teaching away is applied during examination versus in litigation?*

    No, although in practice, during litigation, more substantial evidence as to how a skilled person would read the teaching of a prior art reference is likely to be required.

Secondary considerations

24. *Are secondary considerations recognized in your jurisdiction?*

    Whilst not having been given the same judicial weight as in the US, secondary considerations are recognised in Australia.

25. *If yes, what are the accepted secondary considerations? How and to what degree must they be proven? Is a close connection between the claimed invention and the secondary considerations required?*

    Secondary considerations accepted by Australian courts as potentially relevant include:

    (a) commercial success of the invention;

    (b) that the invention satisfies a long-felt need;

    (c) failure of others to overcome the technical difficulty addressed by the patent;

    (d) copying by others.

    The probative weight of these factors will vary from case to case.

26. *Do the answers to any of the questions above differ during examination versus during litigation?*

    No.

Other considerations

27. *In addition to the subjects discussed in questions 4 - 26 above, are there other issues, tests, or factors that are taken into consideration in determining inventive step / non-obviousness in your jurisdiction?*
    If yes, please describe these issues, tests, or factors.

    As mentioned below, the Australian court has formulated the question - “whether the hypothetical addressee faced with the same problem would have taken as a matter of routine whatever steps might have led from the prior art to the invention?” In addressing this and similar preceding questions the Australian courts have considered whether the invention represents a “mere workshop improvement” over the prior art. In other words, does it merely claim a variation over the prior art that would, for example, be made, as a matter of course, in the workshop by the person skilled in the art?

    In Australia, the inventive step threshold generally has not been high - a “scintilla of invention” has been held to be sufficient.

Test

28. *What is the specific statement of the test for inventive step/non-obviousness in your jurisdiction? Is there jurisprudence or other authoritative literature interpreting the meaning of such test and , if so, provide a brief summary of such interpretation.*

    The statement of the test is reproduced in the answer to question 1, above.

There is considerable jurisprudence interpreting the test.

The test most recently approved by the High Court of Australia is “whether the hypothetical addressee faced with the same problem would have taken as a matter of routine whatever steps might have led from the prior art to the invention, whether they be the steps of the inventor or not.” (Aickin J in *Wellcome Foundation Ltd v. VR Laboratories (Aust) Pty Ltd* (1981) 148 CLR 262 at 286, approved in *Aktiebolaget Hassle v. Alphapharm Pty Ltd* [2002] HCA 59.)

The High Court of Australia also stated in *Alphapharm* that “obvious” means “very plain”.

The test, as presently applied, is widely regarded by the profession as setting the bar for inventive step quite low by international standards.

29. *Does such test differ during examination versus during litigation?*

No. However, as mentioned above, Australian examiners have considerable difficulty in sustaining a lack of inventive step objection.

Patent granting authorities versus courts

30. *If there are areas not already described above where the approach to inventive step / non-obviousness taken during examination diverges from that taken by courts, please describe these areas.*

As mentioned above, because Australian examiners are generally unable to verify the common general knowledge of a person skilled in the art, they have considerable difficulty in sustaining a lack of inventive step objection.

Even where an examiner might cite a textbook reference as evidence of common general knowledge, often they have difficulty in combining it with a prior art reference (i.e. because it must be clear, on the face of the documents, that the skilled person could be reasonably expected to have combined the documents; the teaching away argument is often effective in rebutting such objections).

31. *Is divergence in approach to inventive step / non-obviousness between the courts and the patent granting authority in your jurisdiction problematic?*

There is no divergence in approach, only a divergence in effectiveness.

Regional and national patent granting authorities

32. *If you have two patent granting authorities covering your jurisdiction, do they diverge in their approach to inventive step / non-obviousness?*

There is only a single patent granting authority in Australia.

33. If yes, is this problematic?

Not applicable.

II. Proposals for harmonization

The Groups are invited to put forward proposals for the adoption of harmonised rules in relation to the patentability criteria for inventive step / non-obviousness. More specifically, the Groups are invited to answer the following questions without regard to their national laws:

34. Is harmonization of inventive step / non-obviousness desirable?

Yes – because an invention that lacks inventive step in the US, Europe or Japan may well be deemed inventive in Australia.

35. Is it possible to find a standard for inventive step / non-obviousness that would be universally acceptable?

Possibly, although it should not just be restricted to the problem-solution approach of Europe. In addition, the *KSR v Teleflex* approach of the US is potentially too stringent.

36. Please propose a definition for inventive step / non-obviousness that you would consider to be broadly acceptable.

The simplicity of the German and SPLT Treaty tests (i.e. an invention involves an inventive step if it would not be considered obvious by the skilled person having regard to the prior art) is appealing and more likely to be broadly accepted internationally.

As to what is meant by "obvious", the "teaching, suggestion, motivation" test of the US is useful. Also, questions such as whether the skilled person "faced with the same problem would have taken as a matter of routine whatever steps might have led from the prior art to the invention" are helpful to the obviousness consideration.

Secondary considerations could also be proposed as a relevant factor, though should not be given as much prominence as the primary considerations (e.g. the "teaching, suggestion, motivation" test and the problem-solution approach).

37. Please propose an approach to the application of this definition that could be used by examiners and by courts in determining inventive step / non-obviousness.

"An invention involves an inventive step if it is not considered to be obvious by the person skilled in the relevant art, having regard to the prior art."

"To determine what is meant by obvious, the person skilled in the relevant art should be asked whether the prior art teaches towards, suggests, or provides a motivation for the invention. Also, the person skilled in the relevant art should be asked whether, if faced with the same problem, they would have taken, as a matter of routine, the steps that would have led from the prior art to the invention. If these questions cannot be positively determined, secondary considerations such as commercial success,

licensing or copying by others, and failure by others to solve the same problem can be considered."

Summary

In Australia, an invention involved an inventive step unless it would have been obvious to a person skilled in the art in the light of the common general knowledge in Australia before the priority date. The test adopted in the case law is whether the addressee would have taken as a matter of routine whatever steps might have led from the prior art to the invention, whether they be the steps of the inventor or not. Prior art (or use) may be added to the common general knowledge if the skilled person could be reasonably expected to have ascertained, understood and regarded it as relevant (and combined them in the case of two or more documents/uses). Claims and prior art are read as they would be understood by a person skilled in the art at the priority date of the relevant claim. No technical problem needs to be disclosed in a specification and inventive step is not based on a problem-solution approach.

Résumé

En Australie, une invention impliquait une activité inventive sauf si elle aurait été évidente pour un homme du métier à la lumière des connaissances générales communes en Australie avant la date de priorité. Le test adopté par la jurisprudence consiste à déterminer si le destinataire aurait effectué de façon routinière les activités qui auraient pu mener de l'art antérieur à l'invention, que ce soient les activités de l'inventeur ou non. L'art (ou usage) antérieur peut être ajouté aux connaissances générales communes si on pourrait raisonnablement attendre de l'homme du métier qu'il l'ait constaté, compris et considéré comme pertinent (et les ait combinés dans le cas de deux documents/usages ou plus). Les revendications et l'art antérieur sont lus comme ils seraient compris par un homme du métier à la date de priorité de la revendication correspondante. Il n'est pas nécessaire de révéler un problème technique quelconque dans un fascicule et les activités inventives ne sont pas basées sur une approche de type problème-solution.

Zusammenfassung

In Australien beruhte eine Erfindung auf erfinderischer Tätigkeit, sofern sie sich für den Fachmann nicht in naheliegender Weise aus dem Stand des Allgemeinwissens in Australien vor dem Prioritätsdatum ergab. Nach dem Richterrecht bestand der Test darin, ob der Adressat die Schritte, die vom Stand der Technik zur Erfindung geführt haben, als Routineangelegenheit betrachtet hätte, wobei es nicht darauf ankommt, ob diese Schritte vom Erfinder stammen oder nicht. Der Stand der Technik (oder der Benutzung) kann zum Allgemeinwissen hinzukommen, wenn vernünftigerweise davon ausgegangen werden kann, dass der Fachmann dies als relevant festgestellt, verstanden und betrachtet (und beides im Fall von zwei oder mehr Dokumenten/Nutzungsarten kombiniert) hätte. Ansprüche und Stand der

Technik werden in der Weise ausgelegt, wie sie von einem Fachmann beim Prioritätsdatum des jeweiligen Anspruchs verstanden würden. Technische Einzelheiten brauchen nicht in einer Spezifikation offengelegt werden, und Erfindungshöhe basiert nicht auf einem Problemlösungsansatz.